

UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

APR 13 2006
at 10 o'clock and 18 min. M
SUE BEITIA, CLERK

UNITED STATES OF AMERICA,

Plaintiff,

v.

AARON A. RUTLEDGE, ANTHONY
A. RUTLEDGE, SR., a/k/a "TONY"
RUTLEDGE, STAR-BEACHBOYS,
INC.,

Defendants.

Criminal No. 02-00438 DAE

**STIPULATION AND ORDER RE:
PREPARATION AND FILING OF
RECEIVER'S FINAL REPORT;
EXHIBIT A**

LODGED

APR 11 2006
3:25 PM
CLERK, U. S. DISTRICT COURT
DISTRICT OF HAWAII

**STIPULATION AND ORDER RE:
PREPARATION AND FILING OF RECEIVER'S FINAL REPORT**

WHEREAS, the Court held a status conference in this matter on April 6, 2006, to discuss, among other things, the cost and contents of the Receiver's final report. Present at this status conference were Eric Seitz, Esq., representing the Board of Directors of Unity House, Inc.; Paul Wong, Esq., representing the Rutledge defendants; and Brook Hart, Esq., counsel for the Receiver of Unity House, Inc. Also present was the agent of the Court-appointed Receiver, Anthony Pounders of EG&G Technical Services, Inc.;

WHEREAS, in light of the Court's instructions at the conference on April 6, 2006, Unity House, Inc.'s Board of Directors and the Receiver have reached agreement regarding the projected cost of the final report and the topics to be covered therein;

NOW, THEREFORE, the parties (Unity House, Inc., and the Receiver, by and through their respective counsel) hereby stipulate and agree that, the Receiver's counsel (The Law Offices of Brook Hart and the law offices of

Altshuler, Berzon, Nussbaum, Rubin & Demain) shall charge less than \$20,000 in legal fees (inclusive of taxes and out-of-pocket expenses) for their legal services rendered in connection with preparation of the final report. Unity House, Inc. shall promptly pay the Receiver's counsels' bills for legal fees associated with the preparation of the final report, provided those fees are less than \$20,000, inclusive of taxes and out-of-pocket expenses;

The parties hereby further stipulate and agree that the Receiver and its counsel (The Law Offices of Brook Hart and the law offices of Altshuler, Berzon, Nussbaum, Rubin & Demain) will make good faith efforts to complete and file the final report within 30 days from the date that this stipulation is filed with the Court;

The parties hereby further stipulate and agree that the final report shall endeavor to provide the Board of Directors of Unity House, Inc. with basic information necessary for the orderly and effective transition of all Unity House operations heretofore the responsibility of the Receiver (*see* Order dated March 14, 2006, attached hereto as Exhibit A) to the Board's authority and control. Among other things, the report shall review the financial, business, and litigation transactions the Receiver has addressed and/or completed since the Receiver filed its Interim Report to the Court on October 21, 2005. The report shall also detail the general financial condition of Unity House; Unity House's Comptroller, Walter Lum, shall provide the Receiver with all current financial information necessary to complete this aspect of the report. In order to reduce the cost of preparation, the report shall not include any discussion of Unity House programs and activities;

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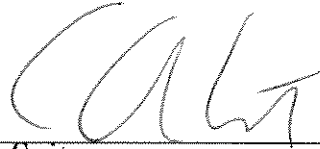
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The parties hereby further stipulate and agree that after the Receiver has filed its final report, the Receiver shall prepare and present to the Board of Directors and its counsel and the Court a proposed stipulated order discharging the Receiver.

DATED: Honolulu, Hawaii, _____.



Brook Hart
Counsel for the Receiver



Eric Seitz
Counsel for the
Unity House, Inc. Board of Directors

APPROVED AND SO ORDERED: _____



United States District Judge

1 APR 13 2006

DATED: Honolulu, Hawaii, _____.